

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES INVESTOR PROTECTION CORPORATION,  v.  BERNARD L. MADOFF INVESTMENT SECURITIES LLC,  Defendant.	Adv. Pro. No. 08-01789 (SMB)  SIPA LIQUIDATION  (Substantively Consolidated)
In re:  BERNARD L. MADOFF,  Debtor.	Adv. Pro. No. 09-01364 (SMB)

**AFFIDAVIT OF IRVING H. PICARD, TRUSTEE, IN SUPPORT OF MOTION FOR  
ENTRY OF ORDER PURSUANT TO SECTION 105(a) OF THE BANKRUPTCY CODE  
AND RULES 2002 AND 9019 OF THE FEDERAL RULES OF BANKRUPTCY  
PROCEDURE APPROVING AN AGREEMENT BY AND BETWEEN  
THE TRUSTEE AND HERALD (LUX) SICAV**

STATE OF NEW YORK )  
                          )  
COUNTY OF NEW YORK )

Irving H. Picard, being duly sworn, hereby attests as follows:

1. I am the trustee ("Trustee") for the liquidation of Bernard L. Madoff Investment Securities LLC ("BLMIS") under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa-*III*, and the substantively consolidated estate of Bernard L. Madoff (together with BLMIS, the

“Debtors”). I am familiar with the affairs of the Debtors. I respectfully submit this Affidavit in support of the motion (the “Motion”) seeking entry of an order, pursuant to 11 U.S.C. § 105(a) of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, and Rules 2002 and 9019 of the Federal Rules of Bankruptcy Procedure, approving the settlement agreement (the “Agreement”) by and among the Trustee, on the one hand, and Herald (Lux) SICAV (“Herald (Lux)”), and Me Ferdinand Burg and Mr. Carlo Reding, the Luxembourg District Court appointed liquidators of the Herald (Lux) estate, on the other hand.

2. I make this Affidavit based upon my own personal knowledge or upon information that I believe to be true.

3. All capitalized terms not defined herein have the meaning ascribed to them in the Agreement submitted as Exhibit A to the Motion.

4. I believe that the terms of the Agreement fall well above the lowest point in the range of reasonableness and, accordingly, the Agreement should be approved by this Court. The Agreement furthers the interest of BLMIS customers by reducing Herald (Lux)’s net equity claim by 10% and providing a benefit to the BLMIS estate of approximately \$25 million.

5. Furthermore, I have already recovered 100% of the fraudulent transfers I sought to avoid from Herald (Lux) by virtue of my settlement with the Internal Revenue Service.

6. Given the complexities involved in proceeding with further litigation, I have determined, in my business judgment, that the Agreement represents a fair compromise of the claims against Herald (Lux).



IRVING H. PICARD

Sworn to before me this 23<sup>rd</sup>  
day of December, 2014  
  
Notary Public

SONYA M. GRAHAM  
Notary Public, State of New York  
No. 01GR6133214  
Qualified in Westchester County  
Commission Expires: 9/12/2012